



MEETING DATE: 08/07/06
ITEM NO. 1

COUNCIL AGENDA REPORT

DATE: July 27, 2006
TO: MAYOR AND TOWN COUNCIL
FROM: LINDA LUBECK, TOWN TREASURER *LL*
SUBJECT: TREASURER'S REPORTS FOR MAY & JUNE, 2006

RECOMMENDATION:

Accept reports as attached.

DISCUSSION:

Attached for your review and acceptance are the Treasurer's reports for May and June, 2006..

Prime increased to 8.25% on June 29, 2006. Treasurer's funds remained fairly stable during the period. Interest rates continued to rise slightly, as did the Town's overall performance.

The cash at Union Bank was reinvested into the market during the month of May, with the advice of MBIA, at higher rates overall. Some diversification of the portfolio is occurring, with a move to include Treasury's again.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT: None

Attachments: Treasurer's reports dated July, 2006.

PREPARED BY: Linda L. Lubeck, Town Treasurer *LL*

Reviewed by: *LL* Town Manager *PS* Assistant Town Manager *OK* Town Attorney
Clerk *sc* Finance Community Development Revised: 7/27/06 9:04 am
Distribution: Town Council; Town Manager; Finance Director

Meeting date: August 7, 2006

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
May 31, 2006**

**Submitted July 17, 2006
by
Linda L. Lubeck**

Distribution: Town Clerk
 Town Manager
 Town Council

Town of Los Gatos
Summary Investment Information
May 31, 2006

Weighted Average Portfolio Yield: **3.98%** **Weighted Average Maturity (days)** **287**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$66,424,046	\$65,264,285	\$56,530,508

Benchmarks/ References:

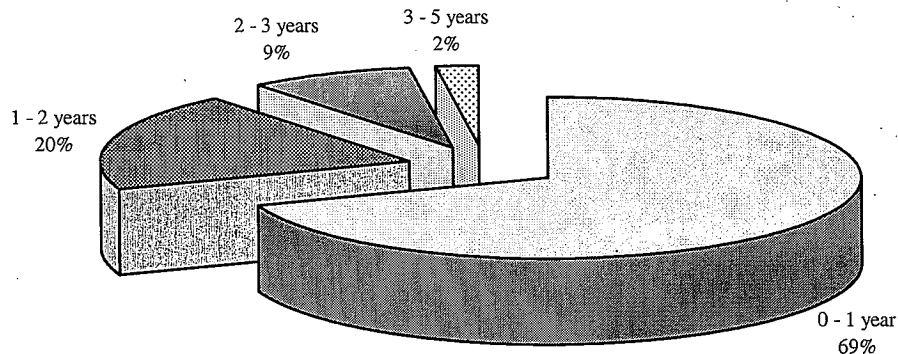
Town's Average Yield	3.98%	3.78%	2.86%
LAIF Yield for month	4.56%	4.31%	2.86%
3 mo. Treasury	4.84%	4.76%	3.00%
6 mo. Treasury	5.03%	4.92%	3.17%
2 yr. Treasury	4.93%	4.98%	3.62%
5 yr. Treasury (most recent)	4.95%	4.96%	3.89%
Prime rate	8.00%	7.75%	6.00%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Freddie Mac (05/25/06)	5.25%
2 yr. Freddie Mac (04/13/06)	5.13%

Portfolio Maturity Profile



Compliance: The Town's investments are in compliance with the Town's investment policy dated August 9, 2005 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
May 31, 2006

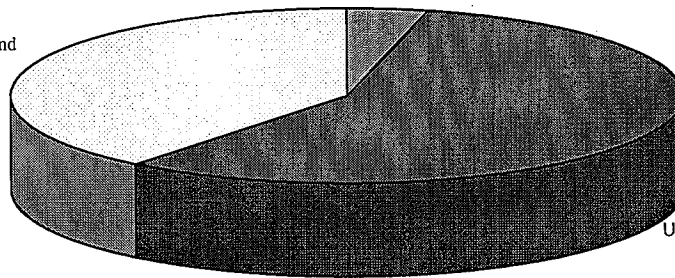
	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$65,264,285.19	\$57,531,241.44
Receipts	3,312,071.83	40,841,097.80
Disbursements	(2,152,310.62)	(31,948,292.84)
Fund Balances - End of Month/Period	<u>\$66,424,046.40</u>	<u>\$66,424,046.40</u>

Portfolio Allocation:

Union MM	2,438,401.64
US Govt Agencies	36,310,662.61
Local Agency Investment Fund	<u>24,837,414.80</u>
Subtotal - Investments	63,586,479.05
Reconciled Demand Deposit Balances	<u>2,837,567.35</u>
 Total Treasurer's Fund	 <u>\$66,424,046.40</u>

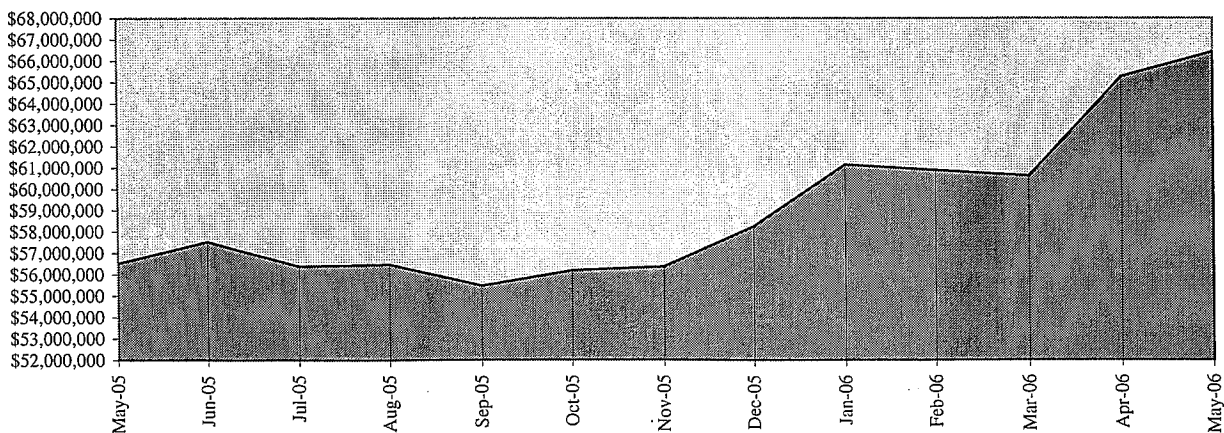
Portfolio Investment Allocation
Union MM
3.8%

Local Agency Investment Fund
39.1%



US Govt Agencies
57.1%

Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
May 31, 2006

	<u>Previous Balance</u>	<u>Deposits</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ending Balance</u>	
Non-Treasury Funds:						
Downtown Parking District 12/20/02	245,058.34		524.83		245,583.17	Note 1
Certificates of Participation Reserve Fund (Lot 4)	259,954.26		886.02		260,840.28	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	90,311.49	61,164.60	307.81		151,783.90	Note 3
Cert. of Participation 2002 Series A Const. Fund	1,300,643.48		12,919.73	25,301.82	1,288,261.39	Note 4
Cert. of Participation 2002 Series A Reserve Fund	753,113.04		14,463.31	21.99	767,554.36	Note 4
Cert. Of Participation 2002 Series A Interest Fund	298.71		0.94		299.65	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
	<hr/>					
Total Restricted Funds:	<u>\$2,649,379.32</u>	<u>\$61,164.60</u>	<u>\$29,102.64</u>	<u>\$25,323.81</u>	<u>\$2,714,322.75</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: This account include redemption accounts set up for the repayment of interest and principal on outstanding bond coupons for Parking Assessment District '3', as well as Reserve Funds set up as required by the original Bond resolution.

Note 2: The reserve fund was a requirement of the original certificates of participation agreement when Lot 4 was built. It helps to guarantee payment of the lease payments should the Town not make payment.

Note 3: The lease payment fund receives the lease payments from the Town monthly for the lease of Lot 4. It holds the funds until payments on the certificates of participation are due semi-annually.

Note 4: The three funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Town of Los Gatos
Statement of Interest Earned
May 31, 2006

	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>Year to Date</u>
Interest received from Investments	132,615.00	1,576,860.62
Add: Interest accrued at end of period (see page 5)	178,631.99	178,631.99
Less: Interest accrued at beginning of period	(103,002.10)	(33,323.60)
Interest earned on investments	<u>\$208,244.89</u>	<u>\$1,722,169.01</u>

**Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
May 31, 2006**

Inactive Deposits by Institution

Dep. Institution	Security	Deposit Date	Amortized Cost	Maturity Date	Days Elapsed	Days to Maturity	Days Invested	Yield to Maturity	Interest Earned	Interest Received	Interest Accrued
920 FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	1804	15	1819	5.23%	517,452.47	470,484.30	46,968.17
FHLB	Discount Note	05/12/06	1,140,118.63	07/14/06	19	44	63	5.02%	2,979.90	0.00	2,979.90
FHLB	Discount Note	05/12/06	1,185,060.83	08/11/06	19	72	91	5.06%	3,118.95	0.00	3,118.95
FNMA	Discount Note	05/12/06	1,078,739.44	09/29/06	19	121	140	5.14%	2,885.17	0.00	2,885.17
939 FFCB	Coupon Note	03/16/05	498,560.00	12/11/06	441	194	635	3.80%	22,890.05	13,342.01	9,548.04
934 FNMA	Coupon Note	08/18/04	1,491,000.00	01/12/07	651	226	877	3.06%	81,386.57	58,800.00	22,586.57
940 FHLB	Coupon Note	03/16/05	543,228.45	02/09/07	441	254	695	3.93%	25,794.12	13,743.65	12,050.47
929 FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	842	343	1185	3.00%	138,410.96	120,000.00	18,410.96
942 FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	380	350	730	4.04%	42,049.42	39,900.00	2,149.42
943 FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	334	351	685	3.82%	26,148.62	10,625.00	15,523.62
946 FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	289	533	822	4.50%	53,397.70	33,750.00	19,647.70
930 FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	827	450	1277	3.16%	179,143.36	161,000.00	18,143.36
944 FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	334	563	897	3.81%	34,281.87	14,236.11	20,045.76
947 FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	289	625	914	4.51%	35,722.35	22,500.00	13,222.35
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	19	670	689	5.00%	5,170.51		5,170.51
945 FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	334	688	1022	3.80%	26,307.98	24,664.06	1,643.92
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	19	1017	1036	5.30%	4,131.38		4,131.38
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	16	1080	1096	5.01%	4,379.01		4,379.01
FHLMC	Coupon Note	06/27/03	500,930.00	06/02/06	1069	2	1071	2.076%	30,457.15	26,128.47	4,328.68
FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	1066	45	1111	1.872%	21,174.55	48,927.08	(27,752.53)
FNMA	Coupon Note	06/10/04	297,213.00	08/11/06	720	72	792	3.177%	18,626.22	13,772.92	4,853.30
FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	1066	121	1187	2.200%	25,700.82	20,200.00	5,500.82
FHLMC	Coupon Note	02/22/05	197,629.00	10/15/06	463	137	600	3.507%	8,791.73	6,309.72	2,482.01
FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	1072	168	1240	1.825%	36,880.92	76,340.00	(39,459.08)
FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	1071	202	1273	1.844%	35,762.57	72,637.50	(36,874.93)
FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	1066	212	1278	2.225%	25,992.88	22,250.00	3,742.88
FNMA	Coupon Note	02/22/05	195,358.60	02/15/07	463	260	723	3.363%	8,333.89	4,657.64	3,676.25
FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	1071	288	1359	1.946%	37,837.72	79,625.00	(41,787.28)
FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	1066	319	1385	2.150%	20,947.19	43,968.75	(23,021.56)
FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	1069	363	1432	2.808%	33,106.12	35,033.33	(1,927.21)
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1066	410	1476	2.359%	25,851.03	37,807.29	(11,956.26)
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1072	533	1605	2.257%	44,600.12	64,773.33	(20,173.21)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1072	572	1644	2.528%	22,235.12	18,750.00	3,485.12
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1069	594	1663	2.492%	47,424.55	52,211.00	(4,786.45)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	608	635	1243	3.462%	11,454.67	9,118.06	2,336.61
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1070	654	1724	2.294%	44,209.08	48,236.08	(4,027.00)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1066	685	1751	2.633%	22,005.33	41,037.50	(19,032.17)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1070	713	1783	2.507%	48,634.96	99,253.86	(50,618.90)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1066	744	1810	2.894%	19,295.90	15,513.82	3,782.08
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1072	749	1821	2.750%	40,383.56	34,375.00	6,008.56
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	608	807	1415	3.442%	11,386.61	8,937.50	2,449.11
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	561	838	1399	3.866%	11,837.39	9,979.17	1,858.22
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	497	838	1335	3.974%	13,428.23	10,833.33	2,594.90
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	561	901	1462	3.936%	12,072.05	11,646.53	425.52
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	328	957	1285	4.313%	11,487.96	6,619.79	4,868.17
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	495	1020	1515	3.930%	12,919.26	9,006.08	3,913.18
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	348	1156	1504	4.359%	12,476.16	8,130.21	4,345.95
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	303	1156	1459	4.527%	11,211.41	6,526.04	4,685.37
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	351	1189	1540	4.237%	12,169.79	8,834.37	3,335.42
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	495	1189	1684	4.180%	8,485.38	6,875.00	1,610.38
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	351	1335	1686	4.431%	12,754.63	8,057.29	4,697.34
Subtotal			36,294,797.86								
Union MM			2,438,401.64		30	30		4.52%	9,058.83		9,058.83
Purchased Interest			15,864.75								
LAIF	N/A	04/01/06	24,837,414.80	06/30/06	60	30	90	4.56%	153,404.65		153,404.65
			63,586,479.05			287		3.98%	2,128,048.78	1,949,416.79	178,631.99

Maturity Profile

	Amount	Percent
0-1 year	44,104,424.98	69.36%
1-2 years	12,532,821.32	19.71%
2-3 years	5,603,002.25	8.81%
3-5 years	1,346,230.50	2.12%
	63,586,479.05	100.00%

Market to Cost Position Report

Dep. Institution	Security	Market Price	Amortized Cost	Market Value*	Unrealized Gain (Loss)
Union Bank Assets			36,294,797.86	35,397,639.60	(897,158.26)
Union MM			2,438,401.64	2,438,401.64	0.00
Purchased Interest			15,864.75	15,864.75	
LAIF			24,837,414.80	24,837,414.80	0.00
Totals:			63,586,479.05	62,689,320.79	(897,158.26)

* Source: Treasury and Agency Obligations - Union Bank of California
LAIF balances per Local Agency Investment Fund monthly statement.

Meeting date: August 7, 2006

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
June 30, 2006**

**Submitted July 26, 2006
by
Linda L. Lubeck**

Distribution: Town Clerk
 Town Manager
 Town Council

Town of Los Gatos
Summary Investment Information
June 30, 2006

Weighted Average Portfolio Yield: **4.17%** **Weighted Average Maturity (days)** **307**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$66,482,900	\$66,424,046	\$56,530,508

Benchmarks/ References:

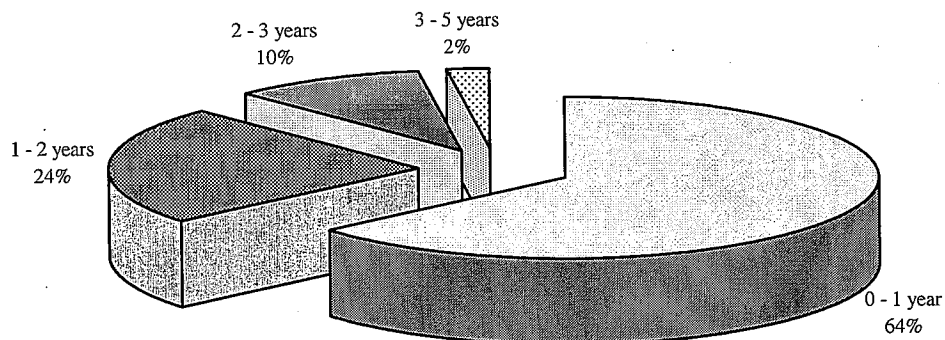
Town's Average Yield	4.17%	3.98%	2.86%
LAIF Yield for month	4.60%	4.56%	2.86%
3 mo. Treasury	5.04%	4.84%	3.00%
6 mo. Treasury	5.32%	5.03%	3.17%
2 yr. Treasury	5.24%	4.93%	3.62%
5 yr. Treasury (most recent)	5.20%	4.95%	3.89%
Prime rate	8.25%	8.00%	6.00%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Freddie Mac (05/25/06)	5.25%
2 yr. Fannie Mae (06/13/06)	5.27%

Portfolio Maturity Profile



Compliance: The Town's investments are in compliance with the Town's investment policy dated August 9, 2005 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

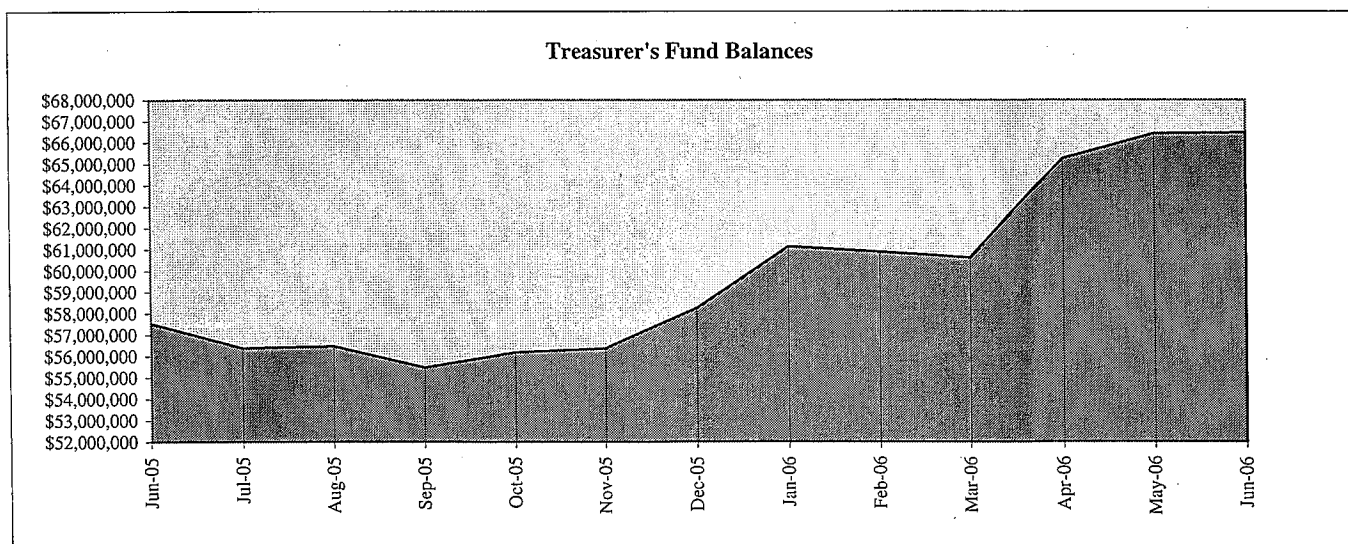
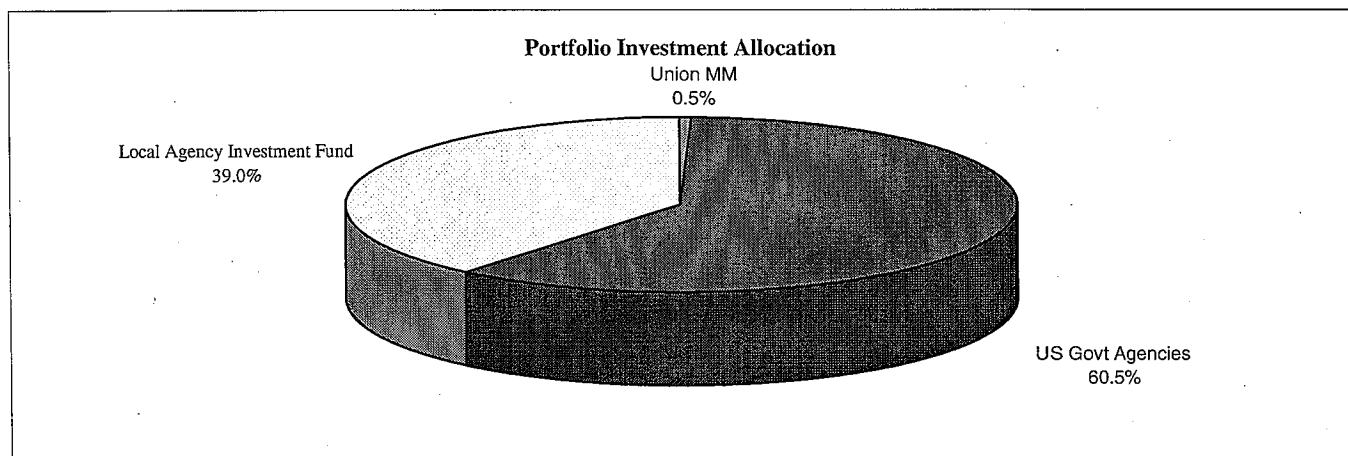
Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
June 30, 2006

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$66,424,046.40	\$57,531,241.44
Receipts	2,907,174.25	43,748,272.05
Disbursements	(2,848,320.83)	(34,796,613.67)
Fund Balances - End of Month/Period	<u>\$66,482,899.82</u>	<u>\$66,482,899.82</u>

Portfolio Allocation:

Union MM	304,214.77
US Govt Agencies	38,579,190.09
Local Agency Investment Fund	24,837,414.80
Subtotal - Investments	63,720,819.66
Reconciled Demand Deposit Balances	<u>2,762,080.16</u>

Total Treasurer's Fund	<u>\$66,482,899.82</u>
------------------------	------------------------



Town of Los Gatos
Non-Treasury Restricted Fund Balances
June 30, 2006

	<u>Previous Balance</u>	<u>Deposits</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ending Balance</u>	
Non-Treasury Funds:						
Downtown Parking District 12/20/02	245,583.17		543.49		246,126.66	Note 1
Certificates of Participation Reserve Fund (Lot 4)	260,840.28		947.25		261,787.53	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	151,783.90	40,776.40	544.23		193,104.53	Note 3
Cert. of Participation 2002 Series A Const. Fund	1,288,261.39	400,000.00	0.84	0.01	1,688,262.22	Note 4
Cert. of Participation 2002 Series A Reserve Fund	767,554.36		287.92	25.19	767,817.09	Note 4
Cert. Of Participation 2002 Series A Interest Fund	299.65		1.02	0.01	300.66	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	\$2,714,322.75	\$440,776.40	\$2,324.75	\$25.21	\$3,157,398.69	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: This account include redemption accounts set up for the repayment of interest and principal on outstanding bond coupons for Parking Assessment District '3', as well as Reserve Funds set up as required by the original Bond resolution.

Note 2: The reserve fund was a requirement of the original certificates of participation agreement when Lot 4 was built. It helps to guarantee payment of the lease payments should the Town not make payment.

Note 3: The lease payment fund receives the lease payments from the Town monthly for the lease of Lot 4. It holds the funds until payments on the certificates of participation are due semi-annually.

Note 4: The three funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Town of Los Gatos
Statement of Interest Earned
June 30, 2006

	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>Year to Date</u>
Interest received from Investments	134,573.19	1,711,433.81
Add: Interest accrued at end of period (see page 5)	268,699.72	268,699.72
Less: Interest accrued at beginning of period	(178,631.99)	(33,323.60)
Interest earned on investments	<u>\$224,640.92</u>	<u>\$1,946,809.93</u>

**Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
June 30, 2006**

Inactive Deposits by Institution

Dep. Institution	Security	Deposit Date	Amortized Cost	Maturity Date	Days Elapsed	Days to Maturity	Days Invested	Yield to Maturity	Interest Earned	Interest Received	Interest Accrued
FHLB	Discount Note	05/12/06	1,140,118.63	07/14/06	49	14	63	5.021%	7,684.99	0.00	7,684.99
FHLB	Discount Note	05/12/06	1,185,060.83	08/11/06	49	42	91	5.056%	8,043.61	0.00	8,043.61
FNMA	Discount Note	05/12/06	1,078,739.44	09/29/06	49	91	140	5.138%	7,440.70	0.00	7,440.70
FNMA	Discount Note	06/02/06	1,275,395.33	10/16/06	28	108	136	5.178%	5,066.08		5,066.08
939 FFCB	Coupon Note	03/16/05	498,560.00	12/11/06	471	164	635	3.800%	24,447.20	22,404.51	2,042.69
934 FNMA	Coupon Note	08/18/04	1,491,000.00	01/12/07	681	196	877	3.060%	85,137.11	58,800.00	26,337.11
940 FHLB	Coupon Note	03/16/05	543,228.45	02/09/07	471	224	695	3.930%	27,548.83	13,743.65	13,805.18
929 FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	872	313	1185	3.000%	143,342.47	120,000.00	23,342.47
942 FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	410	320	730	4.043%	45,369.11	39,900.00	5,469.11
943 FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	364	321	685	3.815%	28,497.30	10,625.00	17,872.30
930 FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	857	420	1277	3.156%	185,641.91	161,000.00	24,641.91
946 FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	319	503	822	4.496%	58,940.71	33,750.00	25,190.71
944 FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	364	533	897	3.807%	37,361.08	29,861.11	7,499.97
947 FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	319	595	914	4.513%	39,430.55	22,500.00	16,930.55
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	49	640	689	5.000%	13,334.46		13,334.46
945 FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	364	658	1022	3.803%	28,670.97	24,664.06	4,006.91
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	15	701	716	5.135%	4,200.10		4,200.10
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	49	987	1036	5.298%	10,654.60		10,654.60
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	46	1050	1096	5.014%	12,589.65		12,589.65
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	15	1078	1093	5.226%	3,207.33		3,207.33
FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	1096	15	1111	1.872%	21,770.46	48,927.08	(27,156.62)
FNMA	Coupon Note	06/10/04	297,213.00	08/11/06	750	42	792	3.177%	19,402.31	13,772.92	5,629.39
FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	1096	91	1187	2.200%	26,424.11	24,240.00	2,184.11
FHLMC	Coupon Note	02/22/05	197,629.00	10/15/06	493	107	600	3.507%	9,361.39	6,309.72	3,051.67
FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	1102	138	1240	1.825%	37,913.03	76,340.00	(38,426.97)
FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	1101	172	1273	1.844%	36,764.33	87,262.50	(50,498.17)
FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	1096	182	1278	2.225%	26,724.38	26,700.00	24.38
FNMA	Coupon Note	02/22/05	195,358.60	02/15/07	493	230	723	3.363%	8,873.88	4,657.64	4,216.24
FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	1101	258	1359	1.946%	38,897.60	79,625.00	(40,727.40)
FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	1096	289	1385	2.150%	21,536.70	43,968.75	(22,432.05)
FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	1099	333	1432	2.808%	34,035.19	35,033.33	(998.14)
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1096	380	1476	2.359%	26,578.54	37,807.29	(11,228.75)
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1102	503	1605	2.257%	45,848.25	64,773.33	(18,925.08)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1102	542	1644	2.528%	22,857.38	22,500.00	357.38
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1099	564	1663	2.492%	48,755.45	52,211.00	(3,455.55)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	638	605	1243	3.462%	12,019.87	9,118.06	2,901.81
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1100	624	1724	2.294%	45,448.58	48,236.08	(2,787.50)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1096	655	1751	2.633%	22,624.62	41,037.50	(18,412.88)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1100	683	1783	2.507%	49,998.56	99,253.86	(49,255.30)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1096	714	1810	2.894%	19,838.93	18,676.32	1,162.61
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1102	719	1821	2.750%	41,513.70	41,250.00	263.70
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	638	777	1415	3.442%	11,948.44	8,937.50	3,010.94
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	591	808	1399	3.866%	12,470.41	9,979.17	2,491.24
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	527	808	1335	3.974%	14,238.79	10,833.33	3,405.46
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	591	871	1462	3.936%	12,717.62	11,646.53	1,071.09
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	358	927	1285	4.313%	12,538.69	6,619.79	5,918.90
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	525	990	1515	3.930%	13,702.24	9,006.08	4,696.16
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	378	1126	1504	4.359%	13,551.69	8,130.21	5,421.48
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	333	1126	1459	4.527%	12,321.45	6,526.04	5,795.41
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	381	1159	1540	4.237%	13,209.95	8,834.37	4,375.58
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	525	1159	1684	4.180%	8,999.64	6,875.00	2,124.64
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	381	1305	1686	4.431%	13,844.76	8,057.29	5,787.47
Subtotal			38,551,235.69								
Union MM			304,214.77		30	30		4.71%	1,177.69		1,177.69
Purchased Interest			27,954.40								
LAIF	N/A	04/01/06	24,837,414.80	06/30/06	90	0	90	4.60%	248,576.35		248,576.35
			63,720,819.66			307		4.17%	1,783,093.74	1,514,394.02	268,699.72

Maturity Profile

	Amount	Percent
0-1 year	40,755,053.09	63.96%
1-2 years	15,251,431.82	23.93%
2-3 years	6,368,104.25	9.99%
3-5 years	1,346,230.50	2.11%
	63,720,819.66	100.00%

Market to Cost Position Report

Dep. Institution	Security	Market Price	Amortized Cost	Market Value*	Unrealized Gain (Loss)
Union Bank Assets			38,551,235.69	37,650,178.50	(901,057.19)
Union MM			304,214.77	304,214.77	0.00
Purchased Interest			27,954.40	27,954.40	
LAIF			24,837,414.80	24,837,414.80	0.00
Totals:			63,720,819.66	62,819,762.47	(901,057.19)

* Source: Treasury and Agency Obligations - Union Bank of California
LAIF balances per Local Agency Investment Fund monthly statement.